

EZ CLEAR

Note: Series I bonds follow the same EZ Clear procedures used for Series EE bonds.

The EZ Clear program was designed to allow you to use the existing check collection system to process redeemed savings bonds and savings notes. All savings bonds and notes you are currently authorized to redeem must be processed through EZ Clear and deposited with your check processing Federal Reserve Bank (FRB) or sent directly to EZ Clear at FRB Cleveland, Pittsburgh Office (EZ Direct). You should continue to determine the redemption amount, affix your paid stamp, and report interest according to IRS requirements.

Eligible Savings Bonds



You may commingle all Series E/EE and Series I bonds and savings notes in an EZ Clear deposit.

You may commingle all Series E/EE and Series I bonds and savings notes, including older Series A-E half and full-size “paper” bonds, in an EZ Clear deposit. There is no need to separate Series A-E paper bonds from Series E/EE and Series I bonds. However, the large (8 x 7 inches) paper bonds must be folded and placed in an approved document carrier, and the carrier must be MICR-encoded. The half-size (4 x 7 inches) paper bonds may be deposited “as is” (MICR-encode directly on the bond). In the case of a repair, place the bond in an approved document carrier and MICR-encode the carrier.

Do not send bonds presented for reissue (changes in registration) through EZ Clear. Instead, these bonds should be submitted to your servicing TRS Site with the reissue requests and any supporting documents.

Series H/HH bonds for redemption should **not** be submitted through EZ Clear. Refer to Chapter 5 for proper instructions.

Savings Bond Pro® software, available free of charge from the Bureau of the Public Debt, can aid in MICR-encoding of the bonds during pricing. For more information, go to <http://www.treasurydirect.gov/instit/savbond/price/bondpro/bondpro.htm>.

Deposit Methods

Two deposit methods are available in the EZ Clear program. You may commingle savings bonds and notes in a normal check (mixed) cash letter or sort savings bonds and notes into a separately-sorted (fine-sort) cash letter for deposit.

Separately-sorted cash letters must indicate the agent’s name, nine-digit routing/transit number, dollar amount, item count, and date of the cash letter. With each separately-sorted cash letter, include “detail” or tape listings of the bonds contained in the cash letter. The cash letters can be deposited with your check processing Federal Reserve Bank (FRB) or sent directly to EZ Clear at FRB Cleveland, Pittsburgh Branch, 717 Grant Street, Pittsburgh, PA 15230, Attn: EZ Direct.

EZ Clear fine sort customers must be enrolled as an EZ Clear depositor in order to obtain fees. An enrollment application can be obtained online at http://www.treasurydirect.gov/instit/savbond/otc/ezclear/ezclear_enroll.pdf or call EZ Clear at 1-800-245-2804.

Deposit Methods		
	Mixed Cash Letter (Commingled with other check items)	Separately-Sorted Cash Letter (Contains only savings bonds)
Teller Requirements	Same as Current	Same as Current
Encoding Requirements *	Routing/Transit Number (0000-9000-7) and redeemed amount.	Redeemed amount only. Routing/Transit number optional.
Cash Letter Size	Your FRB check processing office check deposit guidelines.	No greater than 3,000 items per cash letter. If necessary, multiple cash letters may be submitted to accommodate deposits exceeding 3,000 items.
Bundle Size	Your FRB check processing office check deposit guidelines.	Bundles should not exceed 300 bonds.
Deposit Deadline	Your FRB check processing office "mixed" check deposit deadline.	Your FRB check processing deposit deadline; if no deadline, 12:00 Noon, Monday through Friday.
Funds Availability	Same day (immediate)	Same day (immediate)
Processing Charge	Your FRB check processing office "mixed" POMO/Govt. per item fee.	No processing charge.
Redemption Fees	No redemption fees will be paid for bonds deposited in a mixed cash letter.	A redemption fee of 30 cents will be paid to the routing number on the cash letter for each bond deposited in a separately-sorted cash letter.
Deposit Options **	Directly to your FRB check processing office or through normal correspondent/respondent check arrangements.	Directly to your FRB check processing office or through normal correspondent/respondent check arrangements, or EZ Direct.
Adjustment Inquiries	Your FRB check processing office.	EZ Clear Central Site, Pittsburgh Branch, Federal Reserve Bank of Cleveland.

****Encoding in the Transaction Code (TC), the Auxiliary On-Us, and the Account Number (A/N) fields is strictly prohibited.*** Encoding a Routing/Transit number other than 0000-9000-7 in the Routing/Transit field is also prohibited.

*****Before depositing savings bonds with a correspondent, verify that the correspondent is willing to accept these items. Also note that neither the Treasury nor the Central Processing Site will be responsible for forwarding redemption fees to institutions other than those depositing a separately-sorted cash letter directly with their FRB check processing office or with EZ Clear Direct. Therefore, please clarify with your correspondent if and how you will receive redemption fees from them.***

Reject Repair Options

To correct inaccurate MICR-encoded data placed on bonds, you may use one of the following three options:



Alert!

The use of correction tabs (labels) on any field, including the amount field, is prohibited.

- Use an encoding tab on the bottom of the bond and encode on the tab. **Do not** cover any part of the bond serial number with the encoding tab.
- Apply a strip to the bottom of the bond and MICR-encode the strip.
- Place the bond in an approved document carrier that is clear on both sides and encode the carrier.

Approved document carriers should meet the “Federal Reserve System’s Return Item Carrier Guidelines.” These guidelines may be obtained from your local FRB. Adherence to these guidelines will facilitate processing at the local FRB and the Central Processing Site. Please note that document carriers may be used as repair options only and not as a normal method of encoding bonds.

When document carriers are used as a repair option, do not staple or use any other form of adhesive to attach the bond to the carrier. If the document carrier has a pressure sensitive adhesive strip, do not remove the protective covering that exposes the adhesive, as the bond may be torn or otherwise mutilated when removed from the carrier. Do not use document carriers made of clear plastic-type material because they cause sorter processing problems at the Central Site.

Adjustments

All EZ Clear adjustments, such as mis-priced bonds, mis-encoded bonds, and listing errors, will be directed to you through normal check adjustment channels. Reference information will be provided with each adjustment.

Depositors of mixed cash letters should direct inquiries regarding adjustments received to their FRB Check Adjustment Department.

Depositors of separately-sorted cash letters should direct inquiries to the Central Processing Site EZ Clear Adjustments Department at 1-800-245-2804 (choose Menu Option 4, then Option 4) between 7:30 a.m. and 4:30 p.m. Eastern Standard Time. The toll-free number should not be used to initiate adjustment requests, except in the case of errors that are \$10,000 or greater and are discovered after deposit.

Facsimiles

The EZ Clear program was designed to use the check procedure for submitting facsimiles (photocopies) to regain credit for paid savings bonds and notes that are lost or destroyed internally by the depositor, while en route to the Central Processing Site, or during processing at the Central Processing Site. Include the following indemnification with savings bond and note facsimiles:

INDEMNIFICATION STATEMENT EXAMPLE				FORM 700-A
This is a facsimile of an original United States Savings Bond/Note containing the following data.				
SERIAL NUMBER	ISSUE DATE (Month/Year)	PAYMENT DATE (Month/Year)	PAYMENT AMOUNT	
C000000000EE	11/1991	05/2003	\$98.68	
The bond/note has been endorsed by the undersigned and reported missing or destroyed while in the regular course of bank collection. The undersigned guarantees the validity of this facsimile and all prior or any missing endorsements and agrees to be bound by the regulations contained in Treasury Circular No. 750, current revision (31 CFR Part 321) for any loss sustained by the Treasury or an endorsing bank in honoring this facsimile.				
Reason for Facsimile: Lost internally				
Institution Name and Address: First Nat of Canonsburg, 213 Pike Street, Canonsburg, PA 15317				
Routing and Transit # (ABA #) of Institution: 1234-5678-9				
Authorized Signature: _____				

Ensure that the indemnification is signed by an official of the depositing financial institution.

Endorse the facsimile (photocopy) of the savings bond (front and back) with a current stamp of the financial institution and provide a copy of the original Federal Reserve debit advice. If no Federal Reserve debit advice exists because the original savings bond or note was lost internally, include a statement to that effect on the signed facsimile submission.

When a legible facsimile of a missing bond cannot be produced, form PD F 2517 may be completed.

Mixed cash letter depositors should send facsimiles as correspondence to their FRB Check Adjustment Department.

Separately-sorted cash letter depositors should send facsimiles as correspondence to:

EZ Clear Adjustments
Pittsburgh Branch
Federal Reserve Bank of Cleveland
PO Box 867
Pittsburgh, PA 15230-0867

Redemption Fee Payments

A redemption fee of 30 cents is paid for every eligible savings bond or note that is deposited in a separately-sorted cash letter. The Central Processing Site pays fees monthly to each depositing financial institution (not to each paying agent or branch office). The financial institution's name and routing number must appear on separately-sorted cash letters. Financial institutions using a correspondent bank will not receive fees unless the respondent arranges with the correspondent bank to send a separate cash letter on behalf of the respondent bank.

To accommodate electronic posting, depositing agents must designate either an internal account number (demand deposit/share draft) on the EZ Clear enrollment form or a correspondent checking account.

Redemption fees are paid by issuing an Automated Clearing House (ACH) credit to the account number specified by the depositor. The ACH payment is a "demand credit", and will use a Prearranged Payments or Deposits (PPD) format accompanied by an 05 Addendum record. The payment will be effective on the last business day of each month for fees earned during the previous month.

No fees are paid for bonds deposited in mixed cash letters. In addition, you may be charged a handling fee for bonds submitted in mixed cash letters.

Questions regarding redemption fees may be directed to the Central Processing Site at 1-800-245-2804 (choose Menu Option 4, then Option 4) from 7:30 a.m. to 4:30 p.m. Eastern Standard Time.

Records of Redeemed Bonds

You are authorized to microfilm or use similar copy imaging to duplicate the face and back of each bond you redeem. You are required to retain such records for at least one year.